

FREQUENTLY ASKED QUESTIONS

What is the Cash Credit Law System?

The Credit Law section of the Compliance Department is responsible for compiling and publishing the Credit Law Delinquent List, as required by Section 102.32 of the Alcoholic Beverage Code and Chapter 45.121 of the TABC Rules. "Credit Law" applies to the terms under which liquor (distilled spirits, wine, & malt liquor, but not beer) is sold from a wholesaler to a retailer. If a retailer becomes delinquent, the wholesaler must report this to the Texas Alcoholic Beverage Commission. The TABC compiles and publishes the Credit Law Delinquent List twice a month, listing all retailers who are delinquent. While a retailer is delinquent NO sales or deliveries may be made to that retailer on or after the effective date of the list, even if the order was taken prior to the effective date. The retailer's buying privileges may resume only when all delinquencies are paid and the TABC's records are cleared. No wholesaler is required to sell liquor on credit to a retailer. However, if credit is extended by a wholesaler, it may only be extended in accordance with the provisions of the law. Briefly, on purchases made from the 1st through the 15th day of a month, payment must be made on or before the 25th of that month. On purchases made from the 16th through the last day of a month, payment must be made on or before the 10th day of the following month. To speed the loading and printing of the [Complete Credit Law Delinquent List](#), the list has been split into four segments in alphabetical order by trade name. [A through E](#), [F through L](#), [M through R](#), and [S through 9](#). Please note that trade names beginning with numeric characters (1, 2, 3...0) appear at the end of the list. The CLP No. /Related column displays the Class License Permit (CLP) account that is on the delinquent list over the "Related" CLP that placed them on the list. The "Related" CLP appears in parenthesis and italic print. An asterisk (*) that appears next to the "Related" CLP indicates that there are multiple related delinquent accounts. Example: (P 123456*). An account is not released from the delinquent list until all "Related" accounts have been released.

Am I required to use the Cash Credit Law System?

Yes. According to Chapter 45.121 of the TABC Rules:

It shall be the duty of each wholesaler, class B wholesaler, winery, wine bottler, or local distributor to report all delinquencies to the administrator in writing within two business days after such delinquencies occur. Such reports set forth the name, address, and permit number of the package store permittee, wine only package store permittee, private club permittee, private club exemption certificate permittee, mixed beverage permittee, or other retailer in default, the date of sale and delivery of such alcoholic beverages on account of which report is made, the amount in dollars and cents of such delinquency, and the name, address, and permit number of the permittee reporting. In a like manner, the wholesaler, class B wholesaler, winery, wine bottler, or local distributor shall report when payment in full has been made of any account previously reported delinquent.

In the event any package store permittee, wine only package store permittee, private club permittee, private club exemption certificate permittee, mixed beverage permittee, or other retailer shall pay on his account with any wholesaler, class B wholesaler, winery, wine bottler, or local distributor by means of a draft, check or any other instrument, which draft, check, or other instrument is dishonored by the drawee, then it shall be the duty of such wholesaler, class B wholesaler, winery, wine bottler, or local distributor to immediately report such fact to the administrator by affidavit provided such failure to honor such draft, check, or other instrument causes a delinquency. In such event, the giver of such dishonored draft check, or other instrument shall be deemed guilty of attempting to evade the delinquent list to be published by the commission and such act shall constitute a violation of this rule, and any permit held by the giver of such dishonored draft, check, or other instrument may be cancelled or suspended.

How can I see if I'm on the delinquent list?

Go to Access Public Inquiry at www.tabc.state.tx.us.

On left side of screen in the shadowed area slide mouse down to Credit Law and click. Click on Official Delinquent List from drop down menu. From the new screen, on right side in the shadowed area, click on the appropriate alphabetic area needed according to name of establishment. This will bring up a listing of delinquent establishments that may be scrolled through. To speed the loading and printing of the [Complete Credit Law Delinquent List](#), the list has been split into four segments in alphabetical order by trade name. [A through E](#), [F through L](#), [M through R](#), and [S through 9](#). Please note that trade names beginning with numeric characters (1, 2, 3...0) appear at the end of the list.

How does someone get on the delinquent list?

A wholesaler or distributor (seller) reports to TABC when a business fails to pay for beer or liquor as required by §102.31 and/or §102.32 of the Alcoholic Beverage Code, and Commission rules at Title 16 Texas Administrative Code, §45.131 (cash law/beer) and/or §45.121 (credit law/liquor). The seller should also report this non-payment to the violating business.

Can I sell alcohol to a business on the delinquent list?

While a retailer is delinquent **NO** sales or deliveries may be made to that retailer on or after the effective date of the list, even if the order was taken prior to the effective date. The retailer's buying privileges may resume only when all delinquencies are paid and the TABC's records are cleared.

What is the penalty for being put on the delinquent list?

A failure to make a payment for liquor when due or a payment for beer or liquor that fails for any reason is a violation of the Alcoholic Beverage Code. A cash or credit law violation may result in any or all of the following actions:

- An investigation may be opened if 3 or more cash or credit law violations are reported to TABC within a 12 month period.
- An audit may be opened if more than 6 cash or credit law violations are reported to TABC within a 12 month period.
- An administrative action to suspend your license or permit may be initiated.

- You may not voluntarily cancel or surrender your license or permit if you have a pending cash or credit law violation.
- TABC may refuse or deny an original or renewal application if you have a pending cash or credit law violation.
- If your permit or license expires or is cancelled for cause while a cash or credit law violation was pending, TABC will **not** issue any new permit or license until all cash and credit law violations are paid in full or you are released and discharged by legal process or the seller.

Cash and credit law rules, procedures and reports of violations are published on the TABC public website at www.tabc.state.tx.us. You may also contact your local TABC compliance office.

Can I anonymously submit a Cash Law or Credit Law violation? Who sees my information once it is submitted?

No. Information reported to TABC for Cash Law or Credit Law violations is subject to Open Records. Also, all wholesalers and distributors (sellers) must know who is in violation so they do not make deliveries to that retailer. Therefore, these records are published regularly on the TABC public website at www.tabc.state.tx.us.

Do I need to submit copies of the cancelled checks?

No. With the implementation of the online Cash Credit Law system, wholesalers and distributors (sellers) do not need to provide TABC copies of the cancelled checks at the time of the violation. However, you should retain copies for your records in the event there is a dispute or TABC needs to collect those records as evidence for further action against the retailer.

Can I still send in Cash Law or Credit Law violations via fax or email? The Cash Credit Law system is now the system of record to submit Cash Law or Credit Law violations, replacing all prior methods (mail, fax and email.) However, if a business can demonstrate the system provides a hardship (e.g., no Internet access) then TABC may grant a waiver on an exception basis only.

